Aptus Global Financials Fund

February 2022

FOR PROFESSIONAL INVESTORS ONLY - Retail investors should consult their financial adviser

Information in this factsheet is as at 1 March 2022 (except where indicated).

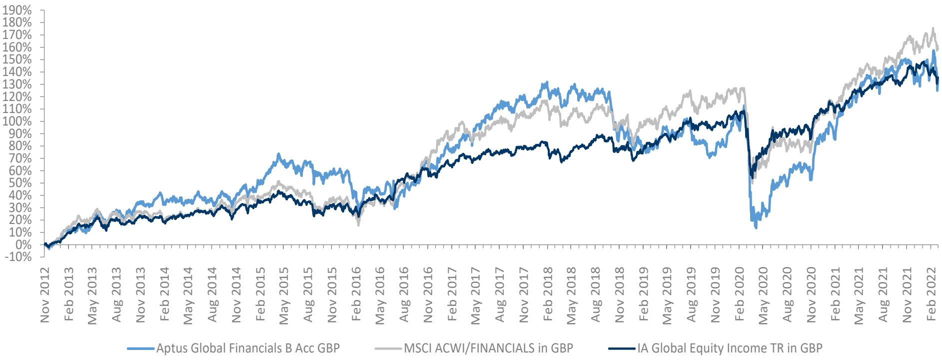
Before making an investment you should ensure that you have read and understood the relevant Key Investor Information document, these can be found at: www.tbaileyfs.co.uk/funds/aptus-investment-fund

Fund Aim / Investment Process

The Aptus Global Financials Fund aims to produce capital appreciation with an attractive, growing income stream. The Fund follows a strategy of gaining exposure to equity and other securities of financial services globally. Key areas of investment include banks, investment banks, insurance and asset management companies. The Fund is managed by Johnny de la Hey and an experienced team of sector specialists with combined experience spanning over 100 years.

The Manager's investment process stems from a bottom-up, valuation based, fundamental approach. Companies' profitability, balance sheets and prospects are analysed, then modelled and compared with consensus expectations. Additional emphasis is placed upon meetings with management and industry bodies.

Performance since launch (1 November 2012)



Total Return, Bid to Bid, Tax UK Net Sterling Terms (B Acc Class).

Source: T. Bailey/Financial Express. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested.

1/11/12 – 31/3/13 currencies in the Fund were hedged and the relevant benchmark was MSCI ACWI Financials in Local Currency. As such the chart left understates the Fund's relative performance by around 5%.

Cumulative Performance (%, as at 1 March 2022)

	1 Month	YTD	3 Months	6 Months	1 Year	3 Years	5 Years
Aptus Global Financals B Acc GBP	-5.7	-5.5	-1.6	-6.2	10.6	26.5	26.0
MSCI ACWI/Financials TR in GBP	-2.6	-0.4	1.2	2.9	19.6	30.1	34.2
IA Global Equity Income TR in GBP	-1.7	-4.7	-1.0	-0.4	13.1	31.1	39.4

Fund Manager Commentary

February was a very difficult month for the Fund with a loss of 5.7%. The major detractors were our bank positions with Russian or CEE exposure, including Societe Generale, Unicredit, Raiffeisen and Erste. Like many, we misjudged the likelihood of a Russian invasion, but nonetheless had taken some risk precautions over the previous month or so, selling our positions in TCS and VTB. These moves helped soften the blow, but the 25% fall in the European bank sector since mid-February meant there was no hiding place for us.

The obvious question is, where do we go from here? We don't think we have any edge on the invasion and it is always hard to have definitive thoughts when a situation is moving so fast. However, we will highlight five points that frame our current thinking:

1. European banks are extremely well capitalised and have unprecedented amounts of liquidity.

2. Direct losses from Russian exposures for European banks should be very manageable in the context of this strong capitalisation. Of course, we have been looking at banks for long enough to know that simple spreadsheet risk analysis may not capture all risks, such as derivative or counterparty exposures. However, to put these risks into perspective, BIS data shows only $2bn of Russian derivatives and $121bn of total gross Russian credit exposures versus Lehman's $700bn balance sheet and c$35trn of notional derivatives at the time of its bankruptcy in 2008.

3. Unsurprisingly, investors are worried that higher energy prices and sanction disruption will lead to stagflation and hence fewer rate rises. Our view is it is too early to be definitive. We agree that the central banks will be more cautious in raising rates in the short-term, but their immediate path will depend hugely on the outcome of this conflict. A ceasefire in the next couple of weeks would bring a very different outcome than a protracted and/or wider conflict. Understandably investors use their muscle memory to shoot first, but we do not see this as a one-sided argument. We could, for example, see further material fiscal expansion in defence, energy self-sufficiency and renewables in addition to the Euro Recovery Fund, drive growth thereby allowing/(forcing) central banks to keep rates rising. Moreover, analysts nor investors have peak curves in their numbers, the European banks don't now look priced for any rate rises, and most of the banks we own have businesses in other geographies (UK/US) where we remain pretty certain of further rate rises regardless of the outcome of this conflict. Rate optionality, in our view, remains alive and kicking.

4. We don't see any material change to our capital return expectations as banks remain very well capitalised; our forecasts have not changed much with most banks still having large unused credit provisions from the Pandemic and we don't believe the regulator will intervene. We, therefore, continue to see several banks being able to return 10-20% of their market cap in the next year, and many returning well over 50% in the next three.

5. Finally, the European bank sector has dropped on average 28% peak-trough in previous non-recessionary crises. The current 25% decline suggests that a decent amount has been priced-in, leaving a very appealing risk reward.

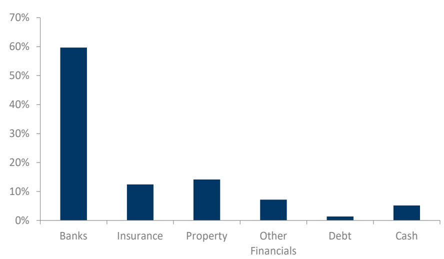
Hopefully it is clear from the above that we are currently not minded to make huge changes to our portfolio with its heavy bias to banks. We have, however, sold our position in Raiffeisen preferring the risk-reward of other European banks and reducing our "direct" exposure to Russia. We will keep you updated on any changes in our thoughts in the coming weeks/months.

Top Ten Active Exposures (% of NAV)*

Signature Bank	5.2
Natwest Group	5.1
IWG	4.6
Barclays	4.2
BAWAG	4.1
Societe Generale	3.9
OSB	3.6
HSBC	3.6
BFF	3.4
Worldline	3.1

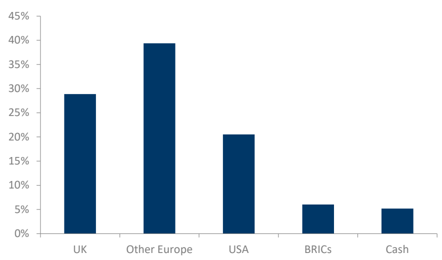
Source: Toscafund
**Some of this exposure is obtained through derivatives*

Sector Exposures (% of NAV)*



Source: Toscafund

Regional Exposures (% of NAV)*



Source: Toscafund

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Fund Data

Fund Launch Date:	1 November 2012
Launch price:	200.00p
Price: B Inc Class GBP B Acc Class GBP	 301.53p 454.20p
SEDOL numbers: B Inc GBP B Acc GBP	 B8DYMW0 B796C34
Pricing Frequency:	8am, daily
Annual Management Charges (AMC): B Class Shares	 1.20%
Ongoing Charges Figure (OCF): B Class Shares	 1.49%
Minimum Initial Investment:	£1,000
Minimum Subsequent Investment:	£50
Dividend Yield:	3.4%
Fund Size:	£79.4m
Accounting End Dates:	31 December / 30 June
Authorised Corporate Director (ACD):	T. Bailey Fund Services Limited (FCA No: 190293)
IA Sector:	Global Equity Income

Toscafund Asset Management LLP

Toscafund is an established multi asset manager based in London. The firm was founded in 2000 by Martin Hughes and is part of Old Oak Group, a large, well capitalised, financial services business. Toscafund's investment team, many of whom have been top rated in their analytical careers, has long standing and in-depth industry experience. Currently, the firm employs 70 people, of which 28 are partners.

Toscafund has invested in a robust infrastructure with effective monitoring, evaluation and risk management. Oversight and governance is provided by the holding company's independent board which includes Sir George Mathewson (ex-Chairman of RBS), John McFarlane (ex-Chairman of Barclays) and Martin Gilbert (ex-Chairman of Aberdeen Standard Investments).

Johnny de la Hey – Portfolio Manager

Johnny is the Portfolio Manager for the Aptus Global Financials Fund. Johnny has been a Portfolio Manager since 2008 and has nearly 30 years experience as a financials analyst. Johnny joined Toscafund in 2000, and contributed to the portfolio management of several of Toscafund's products, being responsible for many of the firm's financial sector related investments. From 1997 to 2000, Johnny was a financials specialist at Tiger Management. Before joining Tiger, he worked at Credit Lyonnais (1996-97) and Societe Generale Securities (1992-96). He graduated with a first class honours degree in Geography from University College, University of London, England in 1992.

Investment Team

Jonathan Sheehan, Insurance Analyst with over 35 years industry experience and has been with the firm since 2002.

Joe Chai, Property Analyst with over 20 years experience of analysing investment opportunities within the property sector.

Katie Black, Financial Services Analyst with experience of small/mid cap equity research as well as financial/business services.

Rob Sheward, Banks Analyst; formerly worked as a consultant for a FTSE 100 company.

Chris Burrows, Analyst with over 5 years experience in analysing companies.

How to Invest

By telephone:
0115 988 8277

Postal application form to:
Client Services
T. Bailey Fund Services Limited
64 St. James's Street
Nottingham NG1 6FJ

Please note: Institutional deals can also be placed by EMX or Calastone. Please contact T. Bailey for details.

Applications forms and other supporting documents available at:
www.tbaileyfs.co.uk/funds/aptus-investment-fund

Risk Warnings

This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. This document represents the views of T. Bailey Fund Services Limited and Toscafund Asset Management LLP at the time of writing. It shouldn't be construed as investment advice. Full details of the Aptus Global Financials Fund (the 'Fund'), including risk warnings, are published in the Key Investor Information document, Supplementary Information document and Prospectus, all available from www.tbaileyfs.co.uk/funds/aptus-investments-fund.

The Fund is subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Investments in overseas markets may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. The Fund may invest in derivatives both for investment purposes and for efficient portfolio management.

The Fund is invested in global financial services companies. This sector has been volatile in recent years due to economic and market conditions, and this volatility may continue in the future. The Fund should therefore be viewed as a long-term investment only and appropriate for investors who can assess the risks and potential rewards and also can also bear any resulting losses. Investments in emerging market regions may involve a higher than average risk and may not afford the same level of investor protection as would apply in more developed jurisdictions.

Derivative contracts such as CFDs also expose the Fund to the risk that the counterparty (the CFD provider) may default in the event of bankruptcy or insolvency. Past performance is not a reliable indicator of future results. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. All sources Toscafund Asset Management LLP and T. Bailey Fund Services Limited unless otherwise stated. Issued by T. Bailey Fund Services Limited. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority (No. 190293). Please note that T. Bailey Fund Services Limited does not provide financial advice to private individuals. The fund may invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State (See Prospectus for more details).

If you have any doubt whether the Aptus Global Financials Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

T. Bailey Fund Services Limited is registered in England and Wales No. 3720363. Registered address as above.